

Citizen Control of the Citizen's Business

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFORMATION WITH REGARD TO TORONTO'S BUSINESS.

ISSUED BY THE

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White Paper No. 74

March 8th, 1924

THE CIVIC GOVERNMENT OF TORONTO
HAS PERFORMED
A MEMORABLE ACHIEVEMENT
IN
REDUCING THE PER CAPITA
GENERAL TAXATION

FROM

\$45.17 to \$44.52

Including the Ratepayers' share of Local Improvements, the total Civic Taxation per capita has been reduced

FROM

\$48.88 to \$48.72

These figures for general and total per capita taxation are the lowest since 1921. They mark a real reduction per taxpayer and not simply a tax-rate reduction which may or may not mean anything. As the Finance Commissioner has stated, this year's achievement marks "the first definite halt in a decade in the steady rise in civic expenditures." It looks like a genuine sign of the times, particularly in view of the small apparent decrease in 1923.

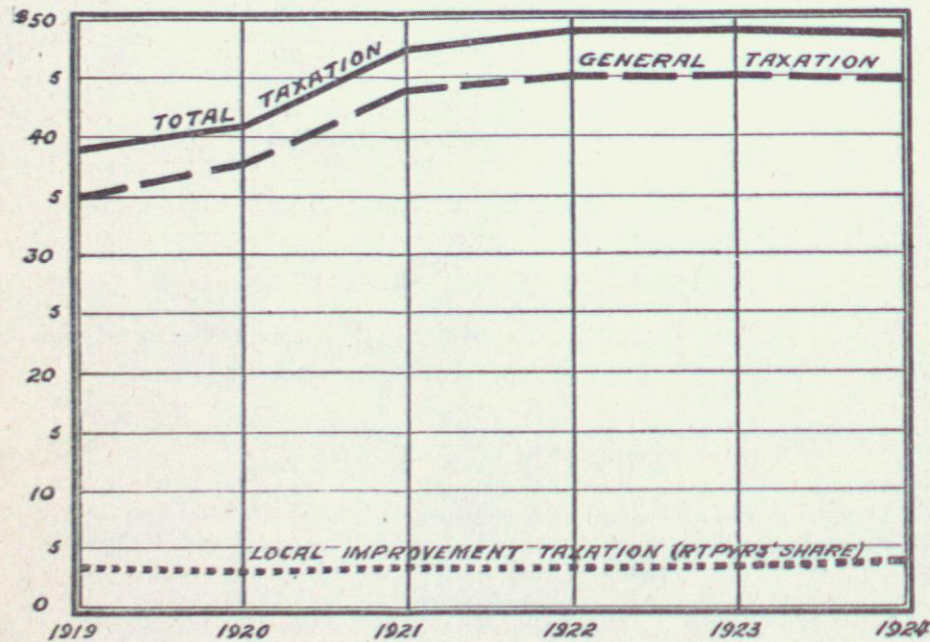
The record can be improved on in future years, if an effort is made to effect reductions by studies of the elements which go to make up cost and by action based on the facts produced by such studies. The instrument chiefly needed in effecting economies is not an axe or a plane but a separator.

The table and chart below illustrate the rise and, it is hoped, the beginning of a decline in taxation per person in Toronto.

YEAR	POP.*	TOTAL TAXATION			PER CAPITA TAX		
		Gen. Tax	Ratepayers' Share Local Imp.	Total	Gen. Tax	R.S.L.I.	Total Per Cap
1919	499,295	\$17,659,688	\$1,701,207	\$19,360,895	\$35.37	\$3.41	\$38.78
1920	512,812	19,471,100	1,664,675	21,135,775	37.97	3.25	41.22
1921	522,666	23,076,988	1,815,406	24,892,394	44.15	3.47	47.62
1922	529,083	24,003,993	1,868,986	25,872,979	45.37	3.53	48.90
1923	538,771	24,333,814	1,999,318	26,333,132	45.17	3.71	48.88
1924	548,459†	24,414,972.34	2,303,558.78	26,718,531.12	44.52	4.20	48.72

*Figures from Civic Estimates.

†Assuming the same increase in 1924 as in 1923.



There are two factors which may operate to reduce per capita expenditure:—

1. Preventing services growing at a faster rate than population.
2. Reducing costs of services at a rate greater than the growth of services.

1. Preventing services growing at a faster rate than population.

This is the usual method adopted by governments when they make up their minds that the per capita burden of taxation must be reduced. It may involve the abandonment of services, the postponement of the adoption of services which had been planned for, or both. In so far as the existing services to be abandoned or the proposed services to be postponed are unnecessary or not of sufficient importance to warrant the expenditure involved, this method of reducing expenditure is justified. In so far as it means the abandonment or postponement of services which are vital to the community, or the elimination of expenditures which are necessary to prevent still greater expenditures, the validity of this method may, in individual cases, be seriously open to question.

2. Reducing costs of services at a rate greater than the growth of services.

To this method of reducing total expenditures there can be no valid objections. No one wants to spend money just for the sake of spending money.

Only special interests, who have something to dispose of in the form of commodities or services used by the City, or other special interests who feel it necessary or desirable to maintain or obtain political control, can have any objections to cutting down costs. It is true that such interests in common with others have to pay higher taxes, but the increase in their taxes is a small fraction of their total gain in money or influence which is contributed at the expense of the taxpayers as a whole. One would think that the best interests of the many would quite overbalance the special interests of the few, but this is rarely the case, until the conditions become so bad that there is a popular explosion. The reason, of course, is that the few with "an axe to grind" always vote and always are on the job between votes. One unjust man who is present when decisions are to be arrived at has more influence in shaping policies than 100 just men who are elsewhere. Legislators should and will listen to the voice of the people so far as this is audible, but, being human, they do not as a rule cater to taxpayers who are deaf and dumb or afflicted with paralysis politicus.

The only sure and absolutely satisfactory way to cut down total costs of services is to find the elements of the total costs and cut the cost of those elements. One can not cut the costs of services "with an axe," although one may cut the total expenditures on

services "with an axe" by cutting off services. To cut the costs of services while retaining the services is a much more delicate operation than to cut off a service, but it is frequently less dangerous and its results are more apt to be satisfactory and permanent.

But what are the chief elements in the cost of services? Among them are the following:—

- a. Debt Charges.
- b. Salaries and Wages,
- c. Supplies and Materials,
- d. Equipment,
- e. Simplicity of organization.

a. Debt Charges are usually classified as "uncontrollable". This word and the idea back of it have been responsible for more waste in government than possibly any other word and idea in the language. All expenditure, capital or current, is controllable by someone, at some time, to some degree. This year's debt charges are not controllable this year. They were controllable last year, at least to some extent. Next year's debt charges will be determined partly by this year's borrowings. The time to control debt charges is before the capital expenditure entailing the debt charges is authorized. A little planning of capital expenditure some years in advance is bound to result in a relative decrease in the item of cost known as debt charges.

b. Salaries and Wages form the largest single item of current expenditure save, in some cases possibly, debt charges.

These are the hardest of all items of expenditure to control, for the following reasons:—

The instant anyone suggests that the total salary and wage bill might possibly be cut down without impairing the service and even possibly while improving the service, the cry is always raised that the motive back of the proposal is mean and selfish and that it would lead to the cutting down of scales of payment. To abolish or merge positions or to remedy inequalities in pay always loses certain votes of those adversely and directly affected, while there is apt to be no compensating gain of votes from those taxpayers indirectly benefited.

The standardization of grades of work and scales of pay involves hard work and the maintenance of such standards requires not only hard but continuous work.

The actual carrying out of a thorough-going survey of the civic service, requires a great deal of "nerve," especially when the total membership of Council is elected each year, and when to conduct such a survey will certainly win active enemies without winning an appreciable number of active friends from the huge lethargic body of non-voting citizens.

c and d. Supplies, Materials, and Equipment are required in quantities to produce the services for which the taxpayers pay. The rational thing to do is to so buy these supplies, materials and equipment as to obtain the maximum possible amounts of service for the minimum possible expenditure. This is almost never done, under governments. Among the adequate if not good reasons therefor are the following:—

Everyone who heretofore has been buying anything for the City is quite sure, and is quite willing to prove, that no one could have done better than he has done and, granted the system or lack of system usually obtaining, this may unfortunately be quite correct.

Those citizens interested in preventing too businesslike buying are always more active and more in evidence than those who desire it, for the simple reason that the former are more directly affected and can better afford to invest some extra time in determining the policy of Council, than the latter.

Where there are many civic departments and outside Boards and Commissions, the work of securing the necessary co-operation to bring about centralization of purchasing or price getting seems almost insuperable.

e. Simplicity of organization. It is a well-known fact that the fewer the parts of a machine, the more apt it is to be efficient. The analogy of the legislative and administrative machine to the physical machine is frequently admitted, but has rarely influenced actual governmental organization. There are several obvious reasons for this.

A large legislative body supplies a better forum for oratory than a smaller one.

The more committees there are, the more chances of getting a chairmanship.

The more wards there are, the more opportunities there are to secure local expenditures.

The more departments there are, the more important positions there are, the more auxiliary positions there are, subordinate but necessary to round out the establishment, and the more expenditures will be found necessary in order properly to maintain departmental importance.

There are other sides to these arguments, but these do not seem to have much practical weight. For example:—

In large legislative bodies there is apt to be more conversation than deliberation;

The more committees there are, the more rethreshing of old straw there is and the more difficulty in getting prompt action;

The more wards there are, the less apt are the City's needs, as a whole, to receive adequate consideration;

The more departments there are, the greater the difficulty in securing adequate interdepartmental co-operation, i.e., unified business management.

Until a thorough-going trial is made to see what can be done by,

1. Conducting a thorough survey of the civic service;
2. Establishing centralized price getting;
3. The simplifying of the civic organization by reducing the membership of the City Council, abolishing wards or decreasing their importance, combining related departments whenever possible; and in general knocking out "water-tight" compartments wherever found in the civic structure;

it will not be possible to state with accuracy,

- 1, that every economy has been effected that could be effected;
- 2, that the people who demand the services are entirely responsible for the expenditure resulting.